

Mr. SCOTT of Virginia: Mr. Speaker, I rise in support of the Senate amendment to H.R. 6029, the Foreign and Economic Espionage Penalty Enhancement Act of 2012. The House passed this legislation by voice vote in August, and the Senate recently passed a bill with amendment by unanimous consent.

Mr. Speaker, H.R. 6029 will increase the maximum fines that may be imposed for engaging in the Federal offense of economic espionage. The crime of economic espionage consists of knowingly misappropriating trade secrets with the intent or knowledge that the offense will benefit a foreign government.

As reported by the U.S. intellectual property enforcement coordinator, economic espionage is a serious threat to American businesses by foreign governments.

Economic espionage represents a significant cost to victim companies and threatens the economic security of the United States. This crime inflicts costs on companies, such as the loss of unique intellectual property, the loss of expenditures related to research and development, and the loss of future revenues and profits. Many companies are unaware when their sensitive data is pilfered, and those that find out are often reluctant to report the losses, fearing potential damage to their reputations with investors, customers, and employees.

The pace of the foreign collection of economic information and industrial espionage activities against major United States corporations is accelerating. For example, in fiscal year 2011, the Justice Department and the FBI saw an increase of 29 percent in economic espionage and trade secret theft investigations compared to those in fiscal year 2010.

Details related to recent Federal investigations and prosecutions suggest that economic espionage and trade secret theft on behalf of companies located in China is an emerging trend. For example, at least 34 companies were reportedly victimized by a set of attacks originating in China in 2010. In the attacks, computer viruses were spread via emails to corporate employees, allowing the attackers to have access to emails and sensitive documents.

Foreign hackers constantly target U.S. companies in such ways in order to get every piece of competitive intelligence information they can. We simply cannot allow this to continue to happen. In response to this growing threat, in her 2011 annual report, the U.S. Intellectual Property Coordinator called upon Congress to increase the penalties for economic espionage, and this bill is consistent with that recommendation.

I would like to commend Members on both sides of the aisle for their work on this bill, particularly the gentleman from Texas, the chair of the committee, Mr. Smith; the ranking member, the gentleman from Michigan (Mr. Conyers); the incoming chair of the Judiciary Committee, my colleague from Virginia (Mr. Goodlatte); and the gentleman from North Carolina (Mr. Watt), who all worked very diligently on this bill. I also want to recognize the leadership of

Senator Leahy.

I urge my colleagues to support the Senate amendment to H.R. 6029.